

FOREIGN BROADCAST INFORMATION SERVICE
WASHINGTON 25, D.C.

29 April 1948

VIA REGISTERED AIRMAIL

Foreign Broadcast Information Service
Tokyo Bureau
AC of S, G-2, GHQ, FPO
APO 500, c/o Postmaster
San Francisco, California

Dear [redacted]

I am sorry there was some confusion and misunderstanding about the question of dollar payment, particularly in relation to your letter of 27 March 1948. That letter was received promptly just as Colonel White was leaving, but since I expected from you daily the material he had requested in his message 241710 I held your recommendations of 27 March in order to present the whole case together to the administrative branches. Upon receipt of your teletype resume of the letter, since it appeared that it might be sometime before you could submit the requested data, I arranged an informal but definitive conference with the Budget and Finance Branch. It was the unanimous opinion that the only possible basis for dollar payment is that outlined in Colonel White's message, that is CIA payment of the full salary of local employees on a scale in accordance with local practice.

Unvouchered funds are authorized only to avoid revealing highly sensitive classified operations. In the case of such funds already made available to you for Kim, the Director agreed to stretch a point on the basis of Colonel White's presentation that this exception to policy was necessary in order to avoid losing all Korean coverage. It is unlikely that a repetition of the specific request, even if we were willing to make it, would receive approval; and there would be no possibility of getting unvouchered funds for the more general purpose proposed in your 27 March letter.

Please bear in mind that because of the purposes for which unvouchered funds are authorized the availability of such funds to CIA is classified and should not be discussed by teletype.

On the basis of paying full salaries of locally recruited employees, the only device by which you can adjust them to individual needs is the presentation of parallel cases in existing local practice sufficient to establish the principle as a local custom. I recognize that you have a number of strong arguments for using some other basis than this for dollar payment, but it appears from here that the only alternative

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would be to let the entire matter drop for as long a time as SCAP permits your employees to remain on occupation payroll. I doubt if you will want to recommend that.

Some of your reluctance to transfer these people to CIA payroll is not justified. I have assurance, for example, that salaries can be made as flexible as necessary to take care of the decreasing purchasing value of the yen. It is not likely that the new station will be operative in less than a full year and it may well be a good deal longer. The real remaining problem is that of the foreign national mess, and I hope you will be able to find some solution for that.

Concerning other subjects in your letters of 27 March and 15 and 16 April: to both your questions concerning the use of the log, the answer is "yes". It is used as a check list of important broadcasts for daily report editors, as a guide to wire editors making up the "Summary of Significant Broadcasts" which is later distributed in revised and mimeographed form to front offices in Washington, and as an elementary sort of liaison between field stations.

You are right that the Target calling for reports on anti-Communist action within trade unions should be amended to include also pro-Communist actions. Someone had assumed that Communist activities would be reported.

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We are investigating possibilities for [] in the event that he requires prolonged hospitalization and treatment. The approval of leave without pay for him after his annual and sick leave are exhausted will probably depend upon prognostication of his case at the time. It is too bad for him personally this has happened. We shall try to give you all the guidance possible in selecting Korean material during your staff shortage.

I think it might be best to lie low on the Fern charges unless there turn out to be some repercussions which would make it advisable to check the veracity of his statements with the individuals he cites.

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I know you have been hard pressed and hope that having [] will make your official life a bit less hectic from now on.

Sincerely,

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[]
Acting Chief, FBIS

PKB:brg

cc: Admin. Office